## Add the following new claims.

- 3. The method of claim 1, wherein:
  - (a) said video is MPEG encoded; and
  - (b) said predicted frames are P frames.
- 4. The method of claim 1, wherein:
  - (a) said first macroblock has high frequency component energy less than a threshold and said second macroblock has high frequency component energy greater than said threshold.
- 5. The method of claim 2, wherein:
- (a) said decoding of said second macroblock includes upsampling of a stored reference macroblock.

## REMARKS

Claims 1-5 are pending in the application; the claims 1-2 have been amended. Reexamination and reconsideration are hereby requested.

Claims 1-2 were rejected as anticipated by Puri. The amendments point out that the claimed alternative decodings of a macroblock may both be used within a single P frame. Puri has no such suggestion.

Enclosed copies of Figs.30b-30c and 32a-32d show proposed changes in red.

Respectfully submitted,

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